

The Current State of Employee Attitudes

Up, Down, or Sideways?

As the economy recovers, many business leaders are wondering and worrying about their workforce. Are employees engaged and committed or exhausted and burned out? Are they clear about strategic initiatives or confused by competing commitments? Are they confident about the future or making plans to quit?

To determine where motivation levels stand, we conducted an analysis of our most recent normative data. In 2010, Sirota collected data from over 1.3 million employees working in over 40 companies based around the globe. These companies cross industries and range in size from approximately 50 to 250,000 employees. By comparing 2009 and 2010 results, we were able to gain insights into the current state of employee attitudes.

What went up?

We started our analysis by looking at over 100 survey items asked by five or more companies in 2009 and 2010. Of these, four items improved at least five percentage points, a meaningful difference considering the size of our sample.

Table 1: Sirota Normative Items that increased 5 or more points between 2009 & 2010

Normative Item (abbreviated text)	2010 % Fav	Trend
1. I am satisfied with the availability of the information I need to do my job	76	+7
2. Rate the effort made by management to get ideas and opinions from employees like yourself	65	+5
3. Top management encourages reporting important information up-the-line, even if it's bad news	75	+5
4. I have the authority I need to do a quality job	73	+5

These results highlight two promising trends.

- Organizations continue to communicate.** To cope with the Great Recession, many organizations enhanced their two-way communication, utilizing town halls, skip-level meetings, and upward feedback channels to keep employees informed and solicit their best ideas. Our latest normative results suggest that in 2010, organizations continued to work hard at keeping the lines of communication open.
- Employees feel increasingly empowered.** 73% of employees in our 2010 normative database felt they had the authority to do their job, up five points from 2009. During the Recession, an increasing number of employees felt micromanaged by anxious bosses. But now, as many companies start to turn the

corner and focus on innovation and growth, these new results suggest that more and more employees are being given the autonomy and latitude to do their jobs.

What went down?

Our analysis also shows that nine items decreased between 2010 and 2009.

Table 2: Sirota Normative Items that decreased 5 or more points between 2009 & 2010

Normative Item (abbreviated text)	2010 % Fav	Trend
1. My company has effective decision making processes	42	-10
2. Employees...get a fair hearing for their complaints	57	-7
3. My company attracts the best employees	64	-7
4. My immediate manager treats me with respect and dignity	82	-6
5. My company responds effectively to change in business env.	57	-5
6. Where I work, the work is well organized	59	-5
7. My company retains high quality employees	58	-5
8. Senior management's actions are consistent with what they say	56	-5
9. My immediate manager keeps me informed	78	-5

These results suggest that employees have three major concerns about their post-recession organizations:

- **Business Effectiveness is on the decline.** Our latest normative trends suggest that employees are facing more roadblocks than they were a year ago. Over the course of a year, employees have become notably less satisfied with their organization's ability to make decisions (-10%), respond to changes in the business environment (-5%), and organize work in an efficient way (-5%).
- **The War for Talent is on.** As the job market heats up and companies start hiring, employees are sensing a talent gap. A decreasing number of employees think that their organizations are attracting (-7%) and retaining (-5%) high quality employees.
- **Perceived inequities may be on the rise.** Based on both **SirotaScience** and academic research, we know that fairness is a critical workplace motivator. In fact, if employees don't feel they are being valued and treated equitably, they are less likely to go above and beyond for their companies and they are more likely to quit. Declines on three items suggest that employees have equity concerns. In 2010, a decreasing percentage of employees felt:

 - They were getting a fair hearing for their complaints (-7%)
 - Their immediate manager treated them with respect and dignity (-6%)
 - Their senior leaders were acting with integrity (-5%)

Other Notable Trends

In addition to these items that posted +/-5% changes between 2010 and 2009, a number of other items posted smaller but notable changes, highlighting four other important workplace trends.

- **Employees feel they are getting a better deal.** As the economy recovers, employees are feeling more satisfied with their pay (+4%), benefits (+4%) and job security (+3%). After dipping to five year lows in 2008 and 2009, all three items are rebounding. Pay and benefits satisfaction levels have returned to pre-recession levels. Job security is still below pre-recession levels (68% favorable in 2010 versus 71% favorable in 2007), but scores have increased the last three years.
- **Career Paths are looking brighter.** Many companies reduced training and development budgets during the recession. As a result, employee development results decreased in many organizations in 2008 and 2009. But in 2010, an increasing number of employees indicated they had a good understanding of possible career paths (+4%), were satisfied with the training they received (+4%), and felt they had a real opportunity to improve their skills (+3%). Based on statistical analysis, we know that development is an important motivator, particularly for high potential employees. Our 2010 data trends suggest that many organizations are re-investing in this critical performance and retention driver.
- **Despite clear business strategies, the future still looks murky.** A close analysis of our normative items suggests that senior and immediate leaders are facing a difficult challenge when it comes to building confidence in the wake of the recession. The good news is that in 2010, 76% of employees in our normative database felt they had a good understanding of their company's strategic direction. That represents a four point increase since 2007. But the bad news is that during this same period, employee confidence in the future of their company has *decreased* 4 points (78% favorable in 2010, versus 82% favorable in 2007). Considering the magnitude of change that occurred during the Great Recession, it may take time for senior leaders to rebuild employee optimism about the future.
- **Engagement levels remain stable.** In 2010, employees remained proud of their companies (83% favorable), motivated to go above and beyond (80%), and satisfied with their job (81%). Across the various items we use to measure employee engagement and satisfaction, results remained stable between 2010 and 2009.

Implications

For organizations preparing to administer or action their 2011 survey, these results highlight four points for consideration.

1. ***Do your employees feel supported by their managers?*** It's been said that employees don't quit their companies, they quit their bosses. While a number of factors can cause an employee to leave (see the [September 2010 SirotaReport](#) for an overview), we do know that supervisor support is critical. Our latest normative results suggest that post-recession employees feel less valued by and connected to their immediate managers. With the job market opening up, now could be a good time to ensure that your managers are building strong and supportive relationships with their direct reports.
2. ***Is your organization suffering from a confidence gap?*** Building confidence in a post-recession world is not easy. But as Harvard Business School professor Rosabeth Moss Kanter points out, it is critical. In her book on the topic (*Confidence, How Winning Streaks and Losing Streaks Begin and End*), she explores how confidence begets more confidence in teams and organizations. If confidence levels have not returned to pre-recession levels in your organization, you may want to consider exploring root causes. One of the best places to start this investigation is with your senior leadership team. If your c-suite executives are not optimistic about the future of the company, some deep discussions are in order. From there, you may want to explore confidence levels amongst your strategic planning group, your high potentials, and your front-line managers. Confidence gaps often start at the top of the organization and trickle down. If they are not addressed, these gaps can lead to widespread confusion and skepticism at lower levels of the organization.
3. ***Are you prepared to win the war for talent?*** Top talent is always in demand. But now, with a steady increase in hiring across a number of industries, companies need to make sure they are retaining their best employees and attracting future superstars. We recommend reviewing your engagement, onboarding, and exit surveys to ensure you are delivering on the critical needs of various employee segments. Conjoint analysis surveys—which allow us to determine the value that employees place on various compensation and benefits offerings—are also helpful when it comes to developing competitive employment packages.
4. ***Is anything preventing your employees from making progress?*** Our 2010 normative results suggest that post-recession employees are feeling bogged down by slow decision making, internal inefficiencies, and a lethargic pace of change. If this trend exists in your own data, you may start losing top talent and top clients to more nimble and efficient competitors. Recently, Teresa Amabile and Steven Kramer wrote about the motivational power of progress at work (see *The Power of Small Wins in The Harvard Business Review, May 2011*). In their latest research, they found that one of the best ways to motivate employees is to remove roadblocks that are

getting in the way of performance. As you review your 2011 survey results, keep an eye out for opportunities to identify and eliminate efficiency inhibitors.

Need More Information about Employee Attitude Trends?

For more information on recent trends, or to find out how Sirota can support your employee research efforts, please see www.sirota.com or contact us at surveyintelligence@sirota.com.